



FOR IMMEDIATE RELEASE

No. 13-112

**Governor Parnell's Statement in Response to Companies'
Announcement on Natural Gas Pipeline Progress**

June 21, 2013, Juneau, Alaska – Governor Sean Parnell today underscored the State's commitment to get Alaska's gas to Alaskans first and then to markets beyond. Progress is being made on two fronts. The Alaska Gasline Development Corporation (AGDC) received legislative authorization this past session to carry Alaska's interests in a natural gas pipeline. Additionally, North Slope producers BP, ConocoPhillips, and ExxonMobil, along with TC-Alaska, proceeded to the stage of project concept selection on a large volume Alaska LNG project.

The project members also made progress on the multi-billion dollar Pt. Thomson development project this past winter and spring, employing approximately 1,200 people associated with infrastructure construction and support. Pt. Thomson gas is important to a large diameter gasline project, and this investment at the field has been significant as the companies move toward commercializing North Slope gas.

In his State of the State speech in January 2013, Governor Parnell called on the companies to meet three benchmarks on the large volume Alaska LNG project. First, to finalize the details of a project concept selection by February 15. Second, to ensure a full summer field season of work on the project commences this year. Third, reach agreement on the pre-front-end engineering and design (pre-FEED) stage of a gasline.

"The companies have clearly met the first two benchmarks," Governor Parnell said. "On February 15, the companies provided Alaskans with details of the project concept selection, and today they announced summer field work in Alaska has commenced. The third benchmark, however, a pre-FEED commercial agreement, has not been achieved.

"Although they mention spending levels through 2013 between \$80 and \$100 million, I am concerned that these spending commitments do not go beyond the end of this year.

"The announcement simply does not reflect that the companies have budgeted or allocated hundreds of millions of dollars related to pre-FEED, which is what they have previously indicated is required for this phase of the project. In short, the companies are making progress, but not moving as quickly as Alaskans expect."

As the companies move forward, the State will work closely with them to help expedite engineering and permitting work required for the project. AGDC is on schedule for a fourth quarter 2014 open season. The State continues to aggressively promote Alaska LNG to global customers and investors, and is working closely with federal regulators to expedite the permitting of a gas commercialization project. Further, through the Interior Energy Project, the state is moving aggressively to build out gas infrastructure to get gas to Alaskans.

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